



State of Utah

Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

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Division Director

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Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 2, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0754

Rod Simmons
Lone Star Industries, Inc.
10401 North Meridian Street, Suite 400
Indianapolis, Indiana 46290

Subject: Cancellation of Reclamation Surety, Lone Star Industries (Utah Portland Quarries) Mining Company, Little Mountain Quarry, M/045/005, Tooele County, Utah

Dear Mr. Simmons:

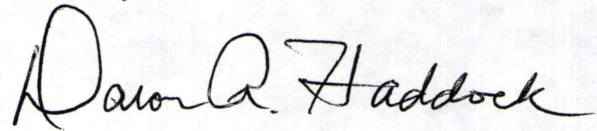
On August 2, 2004, we received notification from Safeco Insurance Company that they will not renew the surety bond posted as reclamation surety for Lone Star Industries, Inc.'s Little Mountain Quarry, located in Tooele County, Utah. The notification states that the cancellation notice was mailed on 7-28-04 and is effective 8-9-04. Please inform Safeco Surety Company that a 90-day notification is required to cancel a surety bond. The surety agreement states: "This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation." Therefore, the Division will not accept the August 9, 2004 date for cancellation, but will hold Safeco Insurance Company as the responsible surety until November 1, 2004 (90 days from our receipt of the cancellation notice).

The Utah Mined Land Reclamation Act requires an adequate surety be maintained for all large mining operations until the mine site is successfully reclaimed, and final bond release is approved. **You are hereby advised that we must receive a replacement form of surety within 60 days** or prior to October 1, 2004, or we will be forced to start surety forfeiture proceedings.

Rod Simmons
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M/045/005
August 3, 2004

Please contact me at (801) 538-5325 or Joelle Burns at 538-5291 to discuss this situation further and to inform us of your intentions. Thank you for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" being more prominent than the last name "Haddock".

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb

cc: AnnMarie Breene, Safeco Insurance Company
Steve Alder, AAG's Office
Mary Ann Wright, DOGM

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